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AGRICULTURAL COOPERATION

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LOCAL COOPERATIVE ASSOCIATIONS INCREASING IN SIZE

Local cooperative associations, including the local units of federations, have increased in size during the past ten years. The average number of members per association in 1915 was 122, compared with 155 in 1925, a gain in average membership of 33 per association for the ten-year period. A total of 4,683 reports regarding membership were received by the Department of Agriculture in 1915. The associations reporting were practically all local organizations, either independent locals, or local units of the few federations then existing. Such "large-scale," centralized organizations as were operating in 1915 were not of sufficient size to attract special consideration in a study of membership.

At the close of 1925 membership reports were available from 9,245 independent local associations and units of federations. These associations had a total membership of 1,435,516, or an average of 155. These 1925 figures do not include reports from any of the large-scale, centralized associations now functioning.

As the two groups mentioned above are fairly comparable it is of interest to note the changes which have taken place during the ten-year period. The average membership of associations marketing dairy products increased from 83 to 124. This group is made up very largely of locally owned and operated creameries and cheese factories. There are a few "small-scale" milk marketing associations included among those reporting in 1925. Grain marketing associations, which in a large majority of cases are locally owned elevators, show an increase in average membership from 102 in 1915 to 130 in 1925. The average for livestock-shipping associations increased from 140 in 1915 to 230 in 1925. The average number of members per local fruit and vegetable association declined during the ten-year period from 124 to 118. These averages are based on 778 reports for 1915 and 986 for 1925. It is quite likely that among the associations reporting in 1915 were one or two which would now be classed as centralized organizations and hence would not be included in the 1925 figures.

The average number of members per association for the two years has been determined for a number of the states in which cooperative associations are most numerous. The average for Minnesota has increased from 92 to 145; for Iowa, 113 to 154; California, 115 to 146; Wisconsin, 89 to 96; Nebraska, 105 to 122; New York, 85 to 92; Kansas, 116 to 167; Michigan, 155 to 139; Ohio, 146 to 225; Missouri, 94 to 354.

SASKATCHEWAN WHEAT POOL WILL BUY COOPERATIVE ELEVATORS

Arrangements are being perfected for the transfer of the elevator properties of the Saskatchewan Cooperative Elevator Company, Ltd., Regina, Canada, to the Saskatchewan Pool Elevators, Ltd., a subsidiary of the Saskatchewan Cooperative Wheat Producers, Ltd., Regina. The decision to transfer the properties of the elevator company to the organization known as the wheat pool was reached at a specially called meeting of the voting delegates of the Saskatchewan Cooperative Elevator Company, Ltd., held April 9 and 10, at which meeting it was decided by a vote of 366 to 77 to accept the offer of the pool to purchase the properties of the elevator company. While only a 75 per cent vote was required to make the action of the delegates binding, the vote in favor of the transfer was over 82 per cent.

The property to be transferred consists of about 450 country elevators, a hospital elevator and terminal elevators at the head of Lake Superior, a 1,000,000 bushel transfer elevator at Buffalo, N. Y., and an office building at Regina, Saskatchewan, together with furniture and fixtures. An arbitration board is being selected to determine the exact value of the property, which it is estimated will be approximately \$10,000,000. Payments are to be made on the basis of \$2,000,000 in 1926 and \$1,000,000 on August 1 of each succeeding year, with interest at the rate of 6 per cent, until the debt is cancelled. The sums necessary for making the payments are to be obtained by a deduction of two cents a bushel on the grain handled by the wheat pool.

As the pool already has 30 country elevators, the acquisition of the additional properties will give it over 500.

By the action of its accredited delegates the Saskatchewan Cooperative Elevator Company, Ltd., will practically bring its career as a grain marketing organization to a close. The company came into existence as a result of a special act of the Saskatchewan legislature in March of 1911. It started with 2,500 stockholders and about 40 country elevators. The first year it handled about 3,200,000 bushels of grain. During its 1924-25 business year it handled over 27,892,000 bushels of grain through its country elevators and 32,275,000 bushels through its terminal elevators. The company has its own export department with offices in Winnipeg, New York, Vancouver and London. Its exports for the year 1924-25 amounted to over 29,000,000 bushels.

On July 31, last, its stockholders numbered approximately 28,000. The depreciated value of its land, buildings and equipment on that date was nearly \$7,000,000.

As many of the stockholders of the cooperative elevator company are active members of the pool, this group of elevators will be serving practically the same producers in the future as in the past.

(Additional information regarding the Saskatchewan Cooperative Wheat Producers, Ltd., and the Saskatchewan Cooperative Elevator Company, Ltd., may be found in Agricultural Cooperation as follows: September 14, 1925, p. 380; September 28, 1925, p. 405; January 18, 1926, p. 29; March 29, 1926, p. 145.)

NEW LOCAL ASSOCIATIONS IN SOUTHERN ILLINOIS

Two new cooperative fruit and vegetable marketing associations in Southern Illinois are preparing for the marketing season, both having been formed in cooperation with the Illinois Fruit Growers' Exchange. They are the Sessor Fruit and Vegetable Growers Association, in Franklin County, and the Woodlawn Fruit Growers' Association in Jefferson County. The Sessor association was formed in November and has 27 members with about 90 acres of vegetables. Half the acreage will be devoted to tomatoes and the remainder to green beans, peppers and strawberries. The Woodlawn association expects to control at least 150 acres of peaches.

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CALIFORNIA FRUIT EXCHANGE KNOWS ITS MARKETS

Eighty-four district sales offices are maintained by the California Fruit Growers' Exchange, in addition to the central office in Los Angeles. The organization has 360 trained employees constantly concentrated on the task of selling its citrus fruit. Twenty dealer service men are travelling constantly through the length and breadth of the land, calling on the retail trade in large and small places, as well as keeping in touch with wholesale houses and jobbers. By means of letters, telegrams and personal reports, the main office of the exchange is kept fully informed as to market conditions. In the central office the facts, figures and reports are tabulated, studied, and used as the basis for the marketing program.

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CALIFORNIA ORANGE AND LEMON PRODUCTS COMPANIES COMBINE

A merger has been effected between the Exchange Orange Products Company and the Exchange Lemon Products Company, both of Los Angeles, Calif., by which the management and sales departments of the two companies are combined. The action was taken because so many of the products of the two companies were alike that a single sales organization seemed a necessity. Subsequent action was taken by the directors of the California Fruit Growers' Exchange, by means of which the products sales organization is enabled to operate under the name, "California Fruit Growers' Exchange, Products Department," thus giving it the benefit of this well known name with the trade.

A campaign for membership in the Orange Products Company is under way as it is desired to increase the membership and enlarge the plant facilities. If a sufficiently large number of members is added by May 1, a new plant will be erected and be ready for the 1926-27 shipping season. Unless the required membership is secured by that date the manager states that the whole plan will have to be deferred for a year, as "We can only move and equip a new factory during our inactive months, November, December and January, and must have from May to November to build."

SALES SERVICE FURNISHED BY MISSOURI ASSOCIATION

Sales service was furnished by the Ozark Fruit Growers' Association, Monett, Mo., to 68 local fruit and vegetable associations during 1925. A total of 1,535 cars of produce were marketed, including 997 cars of strawberries, 327 cars of grapes and 158 cars of apples.

Total sales amounted to \$2,227,296, of which amount \$1,881,985 came from strawberries, and nearly a quarter of a million from the sale of grapes.

The number of cars of each commodity marketed, gross returns and commission charges by the association, are given in the annual report for 1925 as follows:

Commodity	: Cars	: Gross	: Association
	: shipped	: returns	: commission
Strawberries	: 997	: \$1,881,985	: \$56,460
Grapes	: 327	: 249,645	: 12,482
Apples	: 158	: 78,087	: 3,904
Potatoes	: 42	: 16,043	: 802
Cantaloupes	: 8	: 1,239	: 62
Melons	: 5	: 227	: 45
Total	: 1,535	: \$2,227,296	: \$73,755

The association deducts a commission for performing the selling function for the various local organizations. In the case of strawberries the commission is 3 per cent. For grapes, apples, potatoes and cantaloupes, the commission is 5 per cent. The melons are handled on the basis of \$15 a car. Commissions on outside sales amounted to \$260. The total income of the association for 1925 was \$74,082 and the total expenses for the year were \$47,976, leaving \$26,106 to be added to the surplus.

At the close of the business year, December 31, the assets of the association were \$34,387. The liabilities included \$2,000 of outstanding capital stock and \$52,312 of surplus. Among the expenses for the last year were the following: field work, \$5,710; telephone and telegraph, \$5,651; brokerage, \$3,402; labels furnished locals, \$1,809; losses, \$1,555.

Gross sales for the last few years have been as follows:

1918.....	\$849,428	1922.....	\$2,175,000
1919.....	1,389,832	1923.....	870,918
1920.....	1,361,871	1924.....	1,424,208
1921.....	850,000	1925.....	2,227,296

The association maintains an office at Humboldt, Tenn., which during 1925 handled 85 cars of strawberries, 67 cars of cabbage, 161 cars of tomatoes, 5 cars of cucumbers and 4 cars of sweet potatoes. Gross receipts from Humboldt shipments were \$361,937.

This association was organized under the laws of Missouri in 1904 with 2,000 shares of capital stock of the par value of \$1.

NEW FINANCING PLAN FOR OHIO MILK PRODUCERS

Steps are being taken by the Miami Valley Cooperative Milk Producers' Association, Dayton, Ohio, to amend the articles of association and by-laws to permit the issuing of common stock to cover deductions made from returns to producer-members. The amended articles provide for the issuing of 10,000 shares of common stock of the par value of \$10, and 5,000 shares of 7 per cent cumulative, preferred stock, of the par value of \$10. The common stock will be issued to members to cover deductions; it will draw not more than 8 per cent dividends and will be redeemed after ten years, thus the capital obtained by deductions will make a complete revolution each ten years.

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MEMBERSHIP OF DAIRYMEN'S LEAGUE COOPERATIVE ASSOCIATION

The Dairymen's League Cooperative Association, Inc., New York City, began its 1925-27 business year with 63,420 members. During the year which ended with March 31, 1926, 3,890 new membership contracts were received and 5,107 contracts were cancelled.

The number of contracts in force at the beginning of each of the different business years is as follows:

May 1, 1921.....	50,843
April 1, 1922.....	60,050
April 1, 1923.....	64,251
April 1, 1924.....	63,746
April 1, 1925.....	64,637
April 1, 1926.....	63,420

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TWIN CITY ASSOCIATION TO MAKE ICE MILK POWDER

A new unit for making skim milk powder was added to the Ancker plant of the Twin City Milk Producers' Association, St. Paul, Minn., recently and was put in operation April 1. The new machine will double the powder capacity and enable the association to convert 75,000 pounds of skim milk into powder each day.

In March a contract was secured for the sale of half a million dollars worth of cream to be shipped to eastern points at better prices than can be secured from the ice cream plants and dealers at home.

As there was practically no sale for sweet cream in outside cities the first three months of the year, the association made nearly as much butter in that period as in the entire year 1925. During January and February the association sold 311,792 pounds, or 45 car loads, of butter through the Land O'Lakes Creameries, Inc., of which it is one of the district units.

CENTRAL CALIFORNIA POULTRY ASSOCIATION EXPANDING

Expansion is the order of the day with the Poultry Producers of Central California, San Francisco. The organization has recently purchased a feed business at Penngrove, including 2-1/4 acres of land and a building with a floor space of about 12,000 square feet. Eggs are already being received at this location but the feed business is being conducted by the former owner under a lease until the association takes it over.

A large warehouse at Santa Rosa has also been purchased. The building is practically new and has a floor space of 20,000 square feet, as well as land enough for expansion. A warehouse being erected at Modesta is nearly completed.

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WYOMING ASSOCIATION HANDLES MANY TURKEYS

About one million pounds of dressed turkeys have been marketed by the Big Horn Cooperative Marketing Association, Basin, Wyoming, since it began operating three years ago. This quantity would amount to about 50 car loads, and with the exception of three car loads which went to Los Angeles, all shipments have gone to the eastern seaboard markets. The growers have been paid approximately \$300,000 for these turkeys.

Ninety per cent of the turkeys handled were graded as No. 1, and efforts are being made by the directors to bring a still larger percentage within that class. To this end they are paying a premium only on No. 1 stock and are urging growers to hold back the lower grades until they can qualify for the highest grade. It is stated that in the past three years the growers have learned much about turkeys; they have learned what the markets demand, how to feed properly, how to slaughter and dress properly, and how to get the stock to the point of assembly in proper condition. Now it is proposed to offer nothing but No. 1 stock for sale. By offering a high grade product and giving the best possible service to the buyers, it is believed that the problem of marketing will take care of itself.

Sales for the past year are reported as follows:

Turkeys.....	\$108,382
Beans.....	128,533
Clover seed.....	40,521
Hay.....	9,067
Poultry.....	<u>9,263</u>
Total.....	\$305,766

General expenses amounted to \$7,787, net margins for the year were \$9,543, and the property on hand at the close of the year amounted to \$14,330.

The association was formed in 1923 as a non-stock organization. It has a membership of approximately 500 producers.

OKLAHOMA COTTON GROWERS RECEIVE PAYMENT

The sum of \$363,034 was distributed on April 10 by the Oklahoma Cotton Growers' Association, Oklahoma City, on 17,053 bales of cotton in 47 pools. This is not the final settlement. Further payments will be made as sales of cotton warrant.

Up to March 31 the association had received 206,106 bales of 1925 cotton, an increase of 54,761 over deliveries of last year.

More than 1,700 essays for the prize competition were in the hands of the judges on April 10. The various prizes offered amount to \$4,600.

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TEXAS COTTON ASSOCIATION CLOSES ITS POOLS

Deliveries of cotton to the Texas Farm Bureau Cotton Growers' Cooperative Association, Dallas, had reached a total of 143,942 bales on April 8. This is 40,390 bales less than deliveries of last year. However, in consideration of the fact that about 225,000 bales are usually received from the area which was stricken with the drought last year, it is considered quite an increase from the remainder of the territory. The pools closed on midnight March 31.

Records in the office of the association show that in handling this cotton a total of 130,840 bills of lading passed through the accounting department of the association. Placed end to end these bills of lading would cover a distance of seventeen and one-half miles.

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NORTH CAROLINA COTTON ASSOCIATION SELECTING MEMBERS

Approximately one million dollars was distributed to members of the North Carolina Cotton Growers' Cooperative Association, Raleigh, during the week of April 20, as a second payment on their 1925 cotton. Final settlement will be made as early as possible.

The pools for the 1925 crop were closed on April 15. Receipts for the season reached a total of 160,361 bales, 44,000 bales more than the association handled last year.

This year is the last of the old contract and a new contract running for six years has been prepared, and is now being signed by the members. A well defined program of re-signing the membership was started by the association after a state-wide meeting of members on March 4.

It is planned that a very carefully selected membership shall be re-signed by the regular field forces in connection with the carrying out of their regular duties and without extra expense to the association.

WISCONSIN POOL REPORTS COST OF MARKETING TOBACCO

The issue of the Tobacco Pool Bulletin for March 11, published by the Northern Wisconsin Cooperative Tobacco Pool, Madison, Wis., contains definite information regarding the marketing activities of the association. The present number of members under contract is 7,969 or 1,500 more than when the organization began operating in 1922. The quantities of tobacco received of the various crops and the payments to growers through January 30, 1926, are reported as follows:

Season	: Delivered	: Paid growers/a
	: by growers /a	:
	: (Pounds)	:
1922-23	: 30,631,245	: \$3,607,761
1923-24	: 31,049,418	: 2,674,867
1924-25	: 15,577,078	: 1,095,644
/a As of January 30, 1926.		

Detailed figures regarding the cost of marketing the 1924 crop show that the cost up to January 30 was 8 mills per pound. The total net expense was \$124,616.

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TEN MILLION DOLLARS GOES TO BURLEY TOBACCO GROWERS

Checks to the amount of more than \$10,000,000 were mailed on April 28 to members of the Burley Tobacco Growers' Cooperative Association, Lexington, Ky., in final payment on 29 grades of the 1924 crop. These members live in Kentucky and in the surrounding states of Ohio, Indiana, West Virginia, Tennessee, Missouri, and Virginia. Twenty-three grades of the 1924 crop still remain unsold. Another distribution will be made when a sufficient quantity has been sold to warrant.

The manager reports that the association still has on hand for sale 62,000 hogsheads of tobacco of the 1923 crop, 28,000 hogsheads of the 1924 crop, and 63,000 of the 1925 crop, approximately 155,000,000 pounds in all. Growers are warned that for the last five years the quantity of Burley tobacco produced has been in excess of the amount consumed, and that a continuation of this practice will simply mean lower prices for Burley tobacco.

Accompanying each check was a detailed statement of the expenses of conducting the business of the association, showing the cost per 100 pounds to the growers for each type of service furnished.

Sales of scrap tobacco, credited to the receiving house expense, amounted to \$112,310, and credits to the legal department and field service included \$49,102 collected from contract breakers, and \$9,677 from new contracts.

HEAVY SALES REPORTED BY EASTERN STATES EXCHANGE

Over 16,000 farmers bought feed, grain, fertilizer or seeds through the Eastern States Farmers' Exchange, Springfield, Mass., during 1925. This was an increase of about 1,500 over 1924. Supplies to the amount of 119,291 tons were handled and total sales for the year amounted to \$5,979,965.

At the annual meeting of the exchange held February 23, and attended by 350 members, it was announced that the net income for the business year of 1925 was \$70,763, that the exchange had a reserve of \$26,100 on December 31 and a surplus of \$146,347. The costs of operation for 1925 were reported as being 2.8 per cent of sales.

The increase in feed business for 1925 as compared with 1924 was 3,746 tons; the increase in fertilizer sales, 2,311 tons, and the increase in quantity of seeds handled amounted to 80,530 pounds.

A refund of about \$35,000 is being made to those members who bought their feed requirements on contract. In addition \$30,898 is to be refunded to members on the basis of one-half per cent on all purchases from the exchange.

During the 1925 business year 61 meetings were held for members. One hundred fifty such meetings are planned for the current year. An expansion in the territory to be covered by the exchange is planned. The attendance at the meetings of the executive committee was 81 per cent. The growth of this farmer-owned cooperative purchasing enterprise is indicated by the following figures covering the 8 years it has been operating.

Year	:	Tons	:	Gross sales
1918	:	4,290	:	\$ 197,287
1919	:	15,196	:	967,224
1920	:	31,808	:	1,612,009
1921	:	37,835	:	1,567,061
1922	:	51,312	:	2,020,691
1923	:	97,536	:	4,651,508
1924	:	113,734	:	5,526,553
1925	:	119,291	:	5,979,965

In the spring of 1925 the exchange purchased a feed mill with a capacity of 200,000 tons annually at Buffalo, N. Y. This enterprise was financed through a subsidiary corporation, the Eastern States Cooperative Milling Company. Both common and preferred stock were issued, the former being issued to the exchange and the latter to members who were willing to advance money to meet the purchase price of the property. The preferred stock pays 6 per cent annually and is being retired at the rate of 10 per cent a year by savings from yearly earnings. The mill property covers 13 acres and includes buildings, side tracks, etc.

CEYLON ENCOURAGES COOPERATIVE SOCIETIES

Ceylon had 257 cooperative societies with 30,548 members, on April 30, 1925, the close of the fiscal year, according to the report of the Department of Agriculture of the Government of Ceylon on Cooperative Societies. Forty new societies were added during the year and 5 were dropped from the roll, making a net increase of 35. A table covering 12 years gives the number of societies and members for each year and shows that the growth during that time has been steady:

Year	:	Number of	:	Number of
	:	societies	:	members
1913-14	:	37	:	1,820
1914-15	:	54	:	3,850
1915-16	:	55	:	4,068
1916-17	:	71	:	6,027
1917-18	:	92	:	9,551
1918-19	:	113	:	11,310
1919-20	:	136	:	15,200
1920-21	:	154	:	17,896
1921-22	:	169	:	19,957
1922-23	:	208	:	23,322
1923-24	:	222	:	26,757
1924-25	:	257	:	30,548

As agriculture is the most important business of the country, first attention is given by the authorities to the agricultural cooperatives which comprise 237 out of the total of 257. These agricultural societies have a membership of 29,129. The immediate objects in view are the encouragement of thrift and self help, and the various lines of effort include supplying fertilizers, seed, and necessary capital to the members. Competitions in growing rice and fruits have been held in different parts of the country and the members have readily competed. Prizes for these competitions have been offered by prominent members of societies and by the general public. These contests have been of great educational value.

By means of the credit societies some members have been able to increase their holdings of land and sometimes to wipe out their indebtedness altogether. In a few instances the whole debt of the village to outsiders has been redeemed. Support is also given to other than agricultural societies and cottage industries have been fostered.

In such ways "the movement is slowly but surely helping the poorer people to become economically independent." Through general business meetings and work on committees, members are gaining a knowledge of proper business methods and of the management of social institutions. "They are also learning the meaning of a vote." The Registrar of Cooperative Societies who prepared the report, believes the time is not far distant when there will be "a marked forward move by the rural population toward cooperation." However, he believes that the work must be carried on systematically and patiently for years before the full benefits are realized.

REPORT ON COOPERATION IN SOVIET RUSSIA

The Cooperative Movement in Soviet Russia is discussed in a volume of 362 pages issued by the International Labour Office, Geneva, (Studies and Reports, Series H (Cooperation) No. 3), 1925.

The information included in this work was derived from two sources, general Soviet publications, and cooperative literature published in Russia, all of which publications are received by the International Labour Office in a regular system of exchange with the library of Centro-soyus, the Central Union of Consumers' Cooperative Societies. A list of the publications examined is appended.

The main divisions of the study are as follows: Part I. The cooperative movement during the period of Communism. Part II. The transition to the New Economic Policy. Part III. Consumers' cooperation under the New Economic Policy. Part IV. Recent developments of the consumers' cooperative movement.

An excellent historical summary is given in the conclusion. Many figures are given in the volume but readers are warned that they should be used with caution as they are incomplete and there was no opportunity to check their accuracy.

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FINLAND HAS COOPERATIVE FORESTRY ASSOCIATION

Cooperation in the handling of forest products is an important line of effort in Finland where such products now constitute from 85 to 90 per cent of the export trade, according to an article in the International Review of Agricultural Economics. It is estimated that 73.5 per cent of the entire country is covered with forests, and that about 40,000,000 cubic metres are felled annually, 15,000,000 for export and 25,000,000 for home consumption. Exports include sawed timber, all kinds of paper, paper pulp, cellulose, and many other products. Something more than half of the wooded areas belong to private individuals and these areas are the better and more productive lands. Efforts to teach better forest management and strictly scientific felling methods, and to encourage forestry and trade in forest products, were, therefore, directed toward the private owners through cooperation. On the initiative of the Pellervo Society, the Central Federation of Agricultural Producers, the Central Federation of Agricultural Syndicates, and other organizations, the Central Forestry Union of Forest Owners, Limited, was established in 1921 with a share capital of ten million marks. It began operations the following year. The shareholders include about 8,000 private forest owners, 176 rural communes, 30 cooperative dairies, many parishes, saw-mills, and other cooperative societies.

The work of the Central Forestry Union of Forest Owners is to encourage and direct the owners in the management of their forests and in the most profitable methods of handling their products. It aids in the formation of local forestry associations and handles the export business. Eight local forestry associations are now in operation and others are being formed.

POTATO CONTRACT SUSTAINED BY MICHIGAN COURT

The Circuit Court for the County of Oceana, Michigan, on April 19, 1926, upheld the marketing contract of the Hart Potato Growers' Association, a member of the Michigan Potato Growers' Exchange, in a case against Ed Greiner, and enforced the provision of the contract of the association which specifies that members of the association who fail to deliver their potatoes in accordance with the contract shall pay 25 cents per hundredweight as liquidated damages, and rendered judgment against the defendant for \$150 on account thereof together with costs.

L. S. Hulbert

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INCOME TAX EXEMPTION OF COOPERATIVES

The following statement with respect to the exemption of cooperative associations from income taxes is taken from the Federal Income Tax Statute for 1926.

Sec. 231. The following organizations shall be exempt from taxation under this title- (12) Farmers', fruit growers', or like associations organized and operated on a cooperative basis (a) for the purpose of marketing the products of members or other producers, and turning back to them the proceeds of sales, less the necessary marketing expenses, on the basis of either the quantity or the value of the products furnished by them, or (b) for the purpose of purchasing supplies and equipment for the use of members or other persons, and turning over such supplies and equipment to them at actual cost, plus necessary expenses. Exemption shall not be denied any such association because it has capital stock, if the dividend rate of such stock is fixed at not to exceed the legal rate of interest in the state of incorporation or 8 per centum per annum, whichever is greater, on the value of the consideration for which the stock was issued, and if substantially all such stock (other than nonvoting preferred stock, the owners of which are not entitled or permitted to participate, directly or indirectly, in the profits of the association, upon dissolution or otherwise, beyond the fixed dividends) is owned by producers who market their products or purchase their supplies and equipment through the association; nor shall exemption be denied any such association because there is accumulated and maintained by it a reserve required by state law or a reasonable reserve for any necessary purpose. Such an association may market the products of nonmembers in an amount the value of which does not exceed the value of the products marketed for members, and may purchase supplies and equipment for nonmembers in an amount, the value of which does not exceed the value of the supplies and equipment purchased for members, provided the value of the purchases made for persons who are neither members nor producers does not exceed 15 per centum of the value of all its purchases.

NEBRASKA ASSOCIATION OBTAINS INJUNCTION AGAINST OUTSIDE BUYER

The Nebraska Wheat Growers' Association, a Kansas Corporation, on March 20, 1926, obtained a permanent injunction in the District Court of Hitchcock County, Nebraska, against Krotter and Wellets, a partnership engaged in the grain business. The court enjoined "their officers, agents, and servants from purchasing wheat from persons who are under contract with the plaintiff and who are members of the plaintiff corporation and from persons known by defendants to be such members of plaintiff corporation during the terms of the various contracts existing between the plaintiff and its said members; and that it be and it is hereby enjoined from in any way interfering with the performance of contracts between the plaintiff corporation and its members or with their contractual relations when such persons are known to the defendants to be such members of said plaintiff corporation."

L. S. Hulbert

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CALIFORNIA COURT DISCUSSES THEORY OF COOPERATION

On February 25, 1926, the Court of Appeals of California decided the case of the California Canning Peach Growers v. Dorney, 2-31. 679. The California Canning Peach Growers, a cooperative organization, brought suit against the defendant to recover liquidated damages from him on the ground that he had disposed of peaches in violation of his contract. The association lost in the lower court and then appealed. The cooperative organization sold a certain packing concern in California an estimated quantity of peaches. It then notified the defendant and other members of the organization to deliver their peaches to this packing concern. The defendant attempted to get the packing concern to release his peaches, and the packing concern appears to have taken the position that so far as they were able to do so, they were willing that his peaches should be disposed of in some other way. The plaintiff at all times refused to acquiesce in the releasing of the defendant's peaches, but the defendant, acting apparently upon the theory that his peaches had been released, disposed of them in other ways and then refused to account to the plaintiff. The appellate court held that the trial court erred in holding that the cooperative organization was not entitled to recover liquidated damages from the defendant and consequently reversed the decision of the trial court. The following quotations are taken from the opinion in the case and disclose the basis thereof:

The several provisions of the marketing agreement, as hereinbefore set forth, show clearly that the whole intent and purpose of the cooperative plan are that all of its members shall stand upon an equal basis,

bearing an equal proportion of the expenses of maintaining the corporation, marketing the crops, and then share upon the same basis in the proceeds available for distribution, based upon several grades of fruit raised by the different growers. All the peaches of like kind are to be pooled, and all growers having peaches of a like kind receive exactly the same price for their product, irrespective of the fact that different quantities of the same grade of fruit may be sold for different prices. In other words, the essential foundation of the cooperative association is equality of burden and equality of profits, irrespective of whether one particular grower's crop may or may not be sold upon the most favorable market.

From what we have said, and the paragraphs of the agreement which we have set forth, it is also apparent that the officers of the canning company could not release the peaches grown by the respondent so as to exonerate the respondent from accounting to the canning company for the proceeds of his peaches without violating the terms of the agreement with other grower-members of the association. All the other members of the association have an interest in the proceeds received from the sale of the respondent's peaches; they are entitled to share therein and to have the prices for their own peaches enhanced to the extent of any sum which the respondent may have secured by reason of a sale made outside of the dealings of the association. This pecuniary interest the officers of the association cannot waive or release, as that is one of the fundamental rights belonging to every member of the association. Every member of the association must, of course, be held to have knowledge of all of these elements which enter into cooperative marketing agreements. They are not simply agreements entered into with an agent, although a few people may be selected to act in the capacity of officers to manage the business of the association. The agreements are essentially to and with all the other members of the cooperative association, and the interests of every member rest upon the same foundation, and no member can be advantaged to the detriment of any other member. Of all this each member must also be held to have full knowledge, as the contract sets forth all of these facts in equalizing burdens and advantages.

NEW BOOK ON COOPERATIVE MARKETING

A new volume just off the press is "Principles and Practices of Cooperative Marketing," by Eliot Grinnell Mears and Matthews O. Tobriner. The preface states that this book "is an interpretation of the significant problems, with prime emphasis on cooperative enterprise in the light of accepted knowledge derived from business organization and administration." The main divisions of the work are: organization, business practices, regional characteristics. The two concluding chapters give "an appraisal and summary of this significant movement." A classified bibliography is included.

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CONSUMERS' COOPERATIVES HOLD CONVENTION

Consumers' cooperatives of New York and New England met for their Second Annual Conference in Worcester, Mass., on April 18 and 19. Delegates present represented 9 grocery stores, 9 bakeries, 5 restaurant cooperatives, 2 dry goods cooperatives, 3 dairy cooperatives, 1 laundry, 1 shoe store, 1 coal yard, 1 furniture store, 1 housing society, and 1 cooperative billiard parlor. These delegates reported annual sales for their societies aggregating \$2,471,000, and an aggregate membership of 8,800.

The members of the Eastern States Cooperative League voted to establish a monthly publication to be known as the Eastern States Cooperator, and also to make a survey of cooperative societies in the East with a view to publishing a statistical directory.

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TRAINING SCHOOL FOR COOPERATORS IN WISCONSIN

Thirty-seven students are enrolled in the Cooperative Training School being conducted by the Cooperative Central Exchange, Superior, Wis., for managers, directors and bookkeepers of cooperative stores. Of this number 27 are men and 10 are women, and the ages range from 16 to 65 years.

Among the subjects taught are: bookkeeping, business English, spelling, commercial arithmetic, principles of the labor movement and of cooperation, history of cooperation, theory of cooperation, founding and governing of cooperative societies, handling of cooperative merchandise. The students take trips to centers of cooperative interest and have special lectures from leaders in the world of cooperation or of private business. They organize and operate their own cooperative restaurant during the course.

This cooperative training school has been held annually since 1917, and many of the cooperative stores in the territory are already manned by the graduates of former years.

ESSAY CONTEST FOR HIGH SCHOOL STUDENTS

Prizes to the amount of \$100 are offered by the Dairymen's League Cooperative Association, New York City, for the best essays by high school seniors on the subject, "The Dairymen's League in 1936." Students in league territory in New York, Pennsylvania, New Jersey, Vermont, Massachusetts, and Connecticut, are eligible and are encouraged to take part in the contest. The first prize will be \$25; the second, \$15, and the third, \$10; with ten prizes of \$5 each for the next best essays.

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REPORT OF FOURTH NATIONAL COOPERATIVE CONFERENCE

Cooperative Marketing Problems of 1926, is the title of a booklet covering the proceedings of the Fourth National Cooperative Conference, held in Washington, January 12 to 15, 1926. The booklet contains the addresses delivered at the meeting, with portraits of most of the speakers, also the discussions, special reports, resolutions, and list of members, with a number of pages devoted to the National Co-op Press Club which met in connection with the marketing conference. The report is issued by the National Council of Farmers' Cooperative Marketing Associations, 1133 Investment Building, Washington, D. C.

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DOCTORAL THESES DEALING WITH COOPERATION

A list of Doctoral Dissertations in Agricultural Economics in Progress in American Universities and Colleges, published in the Journal of Farm Economics, April, 1926, contains a number of studies bearing upon the cooperative movement. Among these the following titles are noted:

University of Minnesota:

A study of wheat pools in the United States and Canada.

Economic aspects of country elevator management.

A plan for federating farmers' elevators in the spring-wheat area.

University of California:

The distribution of control and of functions between the various groups making up the cooperative marketing organization.

The influence of type of organization and plan of operation upon the financial policy of California marketing organizations.

University of Chicago:

Cooperative selling agencies in the Chicago terminal grain market.

Harvard University:

The orderly marketing of grain.

MUTUAL AUTOMOBILE INSURANCE FOR OHIO FARM BUREAU MEMBERS

Automobile insurance is now being offered to Ohio farmers by the Farm Bureau Mutual Automobile Insurance Company, recently organized after several months of investigation and preliminary work. A drive will be made at once to interest farmers in this form of cooperation. Membership is limited to farmers and farm owners and only the better risks are being accepted.

The company was patterned after the two automobile mutuals in Illinois, which have operated for several years, and the Ohio fire mutuals. The only charge to the policy holder is the actual cost of the protection furnished.

Thirty-one county farm bureaus are now offering this insurance service to the membership, and applications have been received from 24 counties.

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MINNESOTA COOPERATIVE STORES REPORT PROGRESS FOR 1925

A report from the Northern States' Cooperative League, Minneapolis, Minn., gives comparative sales figures for 66 Minnesota cooperative stores. Total sales of the 66 stores for 1924 amounted to \$4,748,776 while sales for 1925 amounted to \$5,117,534, an increase of \$368,757, or 7.7 per cent over that of 1924.

Out of the 66 stores, 49, or 74 per cent, showed an increase in sales for 1925 over sales of 1924, while in 17 stores, the sales either decreased or remained practically the same.

The following table shows comparative figures regarding the 66 stores for the last two years:

	1924		1925	
	Number	Per cent	Number	Per cent
Stores with sales	:	:	:	:
below \$50,000.....	23	35	18	27
Stores with sales between	:	:	:	:
\$50,000 and \$100,000..	31	47	37	56
Stores with sales	:	:	:	:
above \$100,000.....	12	18	11	17

Eleven of these 66 stores were affiliated with either the Cooperative Central Exchange, the Finnish cooperative wholesale, Superior, Wis., or the Northern States' Cooperative League.

Sales of the 11 central exchange societies in 1925 increased \$152,052 or 15 per cent over sales of 1924, while the non-affiliated stores showed an increase of 5.3 per cent for the same period of time. Thus, sales of the federated group increased almost three times as rapidly as those of the isolated stores.

While the number of employees for 64 Minnesota stores at the end of 1925 was 280 compared with 224 in 1924, they were able to handle \$350,000 more business the last year than the preceding year.

ITEMS OF NEWS REPORTED BY THE ASSOCIATIONS

On April 12 the Louisiana Farm Bureau Cotton Association, Shreveport, La., had received 51,169 bales of cotton of the 1925 crop, and had sold 32,568 bales.

Plans are being developed for a meeting of the executive committee of the International Wheat Pool in Winnipeg, Canada, early in June, according to an announcement by the president of the organization, who is also president of the Manitoba Cooperative Wheat Producers, Ltd.

The State Wheat Board of Queensland, Australia, had received 1,739,930 bushels of wheat up to February 25, according to a report of the manager. A large proportion of this had already been disposed of. A first advance, amounting to £278,943, had been paid on 1,726,709 bushels.

Machinery and supplies to the amount of \$179,000 were sold by the supply department of the Land O'Lakes Creameries, Inc., Minneapolis, during the month of March. This is the largest record for any one month since the department opened three years ago. Cream cooling tanks are selling at the rate of 50 a day. Orders are being received from nearly every state in the Union.

A steady increase in volume of business, month by month, is reported by the Farmers' Union Service Association, Des Moines, Iowa, with a 75 per cent increase in the five months from November to March. Orders are coming in steadily for binder twine, machinery, oils, feed, groceries, and other supplies. The management states that the highest quality goods are handled and the prices are as low as possible.

At a recent meeting of more than 140 progressive farmers in the office of the St. Louis County Farm Bureau, Clayton, Mo., it was voted to organize and incorporate the St. Louis County Growers' Cooperative Sales Company. One hundred forty shares of stock at \$100 each were sold, making a total of \$14,000, or \$1,500 more than the amount necessary for incorporation. Fruit and truck worth millions of dollars is produced each year in this county.

An organization known as the Central Dairy Producers' Council has been formed by the principal dairy marketing associations of Ohio under the leadership of the Ohio Farm Bureau Federation. Its purpose is "to promote and advance the interests of the cooperative members and the dairy interests in general." The council, which will meet quarterly, is to be financed by a contribution of one cent per member each year, which it is expected will amount to about \$300. Any special work will be financed separately. The first task undertaken is to be a compilation of dairy prices.

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- Colquette, R. D. Catching Its Second Wind: After a Spirited Dash the Cooperative Movement in the United States is Settling Down to a Steady Stride. In Grain Growers' Guide, Winnipeg, April 1, 1926, pp. 409 ff.
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- Nelson, Lowery. Benefits of Cooperative Marketing. In Utah Farmer, Salt Lake City, April 10, 1926, p. 10.
- The New Milk Committee at Work. In Rural New Yorker, New York, April 24, 1926, p. 719.

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